The request is under examination gold seized by customs

1207. SHRI MURLIDHAR CHANDRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) whether gold worth Rs. 40 lakhs was found on a plane and seized by customs authorities as reported in the Times of India dated 28th June, 1991;

(b) if so, what are the details of the seizures; and

(c) what are the details of other gold seizures made by customs and other enforcement agencies during the quarter April-June and January-March, 1991?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Yes, Sir. On 26|6|1991, the Customs officers of Indira Gandhi International Airport, New Delhi rummaged an aircraft of Air India which had arrived from Tokyo via Bangkok and recovered and seized contraband gold of foreign origin weighing 10.850 kgs. worth Rs. 41.12 lakhs approximately. The seized gold was concealed in a wall panel of the aircraft.

(c) The quantity and value of contraband gold seized by enforcement agencies under the provisions of the Customs Act, 1962 during the quarter April-June and January-March, 1991 are given in the table below:—

	Quantity (in kgs.)	Value (Rs. in crores)
January-March, 1991	1384	48.23
April-June, 1991	1741	61.18

Tata pull out from joint venture ue to delay in Government approval in participation

1208. SHRI VIREN J. SHAH: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned "Tatas pull out of Venezuela bid" appearing in the daily "Telegraph" Calcutta of the 30th April, 1991, wherein it has been stated that Tatas had perforce to call off their joint venture venezuelan project in aluminium smelter projects which would have earned recurring free foreign exchange of Rs. 300 to 400 crores due to delay by the Central Government to approve participation of Tatas in Vexxual Alumino SA before the target date for revalidation of tenders;

(b) if so, what were the reasons for the delay in the approval of the project;

(c) whether Government have any proposal to reduce the gestation period in approval of such projects; and

(d) if not, whether Government propose to form a committee to formulate guidelines in selection of foreign joint ventures and for speedy clearance of such joint ventures?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Government's attention has been drawn to some newsitems on the subject.

(b) There was no delay in the approval of the project. In fact, with a view to facilitate participation in the Venezuelan tender, an approval in principle was granted within a month of the receipt of application, even before all required inputs were available.

(c) and (d) An official sub-committee is already examining proposals to revise the existing guidelines for setting up of JVs abroad, and one of

the issues under consideration is the time required for processing of such applications.

RBI measures to conserve foreign exchange

1709. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has announced some measures to conserve foreign exchange;

(b) what are the details of the measures RBI has taken to conserve foreign exchange during the past one year; and

(c) whether the credit curb and increase in interest rate by RBI will hamper the industrial growth and increase the cost price of industrial goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir; the Reserve Bank of India has initiated certain measures to conserve foreign exchange.

(b) The details of measures taken by the Reserve Bank of India to conserve foreign exchange during the past one year are:—

(1) Out flow of free foreign exchange has been restricted for the import of capital goods. Such imports are being permitted only if they are covered under the foreign currency lines of credit or where importers have their own sources to finance such imports. Imports from countries under bilateral rupee trade arrangements, imports under the T.D.E. Scheme administered by IDBI and technical know-how for modernisation/upgradation were also exempt from the above restriction. However on 13th June, 1991 Reserve Bank of India issued instructions that in respect of import of capital goods from the countries with whom we have bilateral trade agreements letters of credit could be opened for such imports from these countries within the period of validity of agreements entered into with each of them. More recently, on July 24, 1991, opening of letters of credit for payment in free foreign exchange for import of capital goods for projects assisted by international institutions, where costs of imports would be reimbursed, has been permitted.

(2) A system of centralised clearance has been introduced by Reserve Bank of India for opening of letters of credit involving Rs. 25—50 lakhs and above. Prior approval of the Regional/Central Office of the Exchange Control Department of Reserve Bank of India is required individual importers on whose behalf the commitment of foreign exchange liability exceeds Rs. 2 crores from the banking system, have also to obtain prior clearance of the Reserve Bank of India for future imports through their bankers. In the case of exporters this limit of Rs. 2 crores is increased to Rs. 2 crores plus 20 per cent of export realisation of the last year subject to an overall ceiling of Rs. 5 crores.

(3) Every transaction of sale of foreign exchange or payment to any person resident outside India equivalent to Rs. 2.5 crores and above other than for repayment of balances in FCNR and NRE also require the prior permission of the Reserve Bank of India.

(4) From October, 25th 1990 for import other than capital goods, banks were advised to insist on a minimum cash margin of 50 per cent while extending credit. In March, 1991 the minimum cash margins were increased to vary bet ween 50 per cent and 133.33 per cent depending on the type of licence under which the imports were to be made. From April 22nd 1991 these cash margins were further increased to 200 per cent on